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*Office Memorandum* • UNITED STATES GOVERNMENT

TO : OCh/E

DATE: 24 October 1958

FROM : Acting Ch/St/CS

SUBJECT: A Propaganda Approach to the 23 October Soviet Offer to Aid the Aswan Dam Project

1. The following statement, while not a balanced presentation of the facts, is forwarded as possibly useful to propagandists. Some additional--but still biased--material could be prepared in support of the "pitch."

2. Propaganda:

Egypt has sold to Moscow a free hand in exploiting Iraq. Marshal Amir's hurried trip to Moscow was largely prompted by growing friction between the UAR and the USSR over their respective efforts to influence Iraq. Egypt's acceptance of a 400,000,000 ruble loan to inaugurate construction of Nasir's pet project, the Aswan dam, indicates that the UAR has agreed to stop impeding the growth of Soviet influence in Iraq.

While Nasir has pictured himself as the leader of Arab Nationalism and has taken advantage of all opportunities to expand his influence throughout the Arab world, his accretion of power chiefly has been designed to elevate the role of Egypt in the Middle East. In Cairo's proposals for strengthening the organization of the Arab world, it frequently has been directly evident that Nasir sought to draw on the strength, resources and influence of Middle East and North African states to support the economic growth of the more politically sophisticated Egyptian state. For instance, Nasir has publicly stated his displeasure over the possibility that Syria may be an economic drain rather than contributor to the UAR at the same time he has sought to share in the oil revenues of other mid-east states. (UNCLASSIFIED)

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